



Advising the Congress on Medicare issues

Increasing participation in the Medicare savings programs and the low-income drug subsidy

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Key findings

- Medicare beneficiaries typically have lower incomes and higher out-of-pocket health care costs than the rest of the population
- Increasing participation in programs that provide help to beneficiaries with limited incomes has proven difficult
- Targeted outreach and administrative simplification can be effective strategies

Simplifying MSP enrollment

- The Congress set income and asset criteria for LIS at a higher level than MSP
- Many states have used their authority to effectively raise MSP income or asset levels
- MSP asset criteria have not been revised since 1989 when the first program was established

The role of SSA

- SSA is responsible for determining LIS eligibility for those individuals who apply for the subsidy
- Beneficiaries can apply for LIS without facing possible stigma associated with applying at a Medicaid office
- If MSP and LIS eligibility were based on same criteria, SSA could screen and enroll beneficiaries for both programs at the same time

What would federalizing MSP involve?

- Which of the eligibility groups that receive MSP benefits would be covered by full federal funding?
- What set of rules would govern program eligibility – a national standard or a higher level chosen by the state?
- Would Medicare pay all coinsurance for QMBs?
- Would states be required to maintain current level of effort?